

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



August 18, 1998

ALL COUNTY INFORMATION NOTICE NO. I-49-98

TO: COUNTY WELFARE DEPARTMENT
DIRECTORS
DISTRICT ATTORNEYS
COUNTY ADMINISTRATIVE OFFICERS

SUBJECT: MASTER SERVICE AGREEMENT FOR
REVENUE MAXIMIZATION
SERVICES

Reason for this Transmittal

- ☐ State Law or Regulation Change
☐ Federal Law or Regulation Change
☐ Court Order or Settlement Change
☐ Clarification Requested by One or More Counties
☒ Initiated by CDSS

Recently, the Administration Division has received several inquiries from county welfare departments (CWDs) that have either received a copy of, or been approached by, contractors included in a State of California ***Master Service Agreement (MSA) for Revenue Maximization Services***. The purpose of this All County Information Notice (ACIN) is to provide information to respond to county inquiries about the MSA for Revenue Maximization Services, including the California Department of Social Services' (CDSS') relationship with the contractors in the MSA.

What is a Master Services Agreement?

A MSA is a contract bid by the State Department of General Services for services and/or consulting services that are used by many departments. The MSAs take advantage of the State's large buying power. Prices are often less than a single agency could obtain on its own. Master agreements take care of the bidding process and other administrative details and allow the State to obtain needed services quickly and easily, avoiding the delay and uncertainty of the bid process. The MSA for Revenue Maximization Services is being made available to local agencies, as well as State agencies. While the State is making this MSA available to local governmental agencies, each local agency should make its own determination whether using the MSA is consistent with its procurement policies and regulations.

What is the Master Services Agreement for Revenue Maximization Services?

The MSA for Revenue Maximization Services, effective May 8, 1998 through May 7, 2001, provides a list of five selected, prescreened, qualified and proven firms who have demonstrated expertise in seeking out and obtaining new revenues. The sources of revenue could be Federal grants or other types of revenues that an agency is eligible to receive. The revenue

maximization firms in the MSA receive compensation based upon a percentage of the new revenues they help to obtain. If no new revenues are obtained due to the contractor's efforts, no compensation is due to them. Expenses such as travel, mileage, etc. are not paid to the contractor either. There is an additional administrative fee charged to the State or local agency by the State Department of General Services for setting up and maintaining the MSA. The current fee is 1.21% of the amount of the new revenues that the State or local agency actually obtains due to the contractor's efforts. The percentages charged by each contractor and information on the administrative fee are included in the MSA.

What is the CDSS' Relationship to the MSA?

The MSA is available to the CDSS in the same manner that it is available to other State departments and local agencies. At this time, the CDSS does not have a contractual relationship with any of the five revenue maximization services contractors listed in the MSA, nor are any of the contractors acting on behalf of the CDSS.

What are the Benefits/Considerations for Counties in the Revenue Maximization Process?

The MSA for Revenue Maximization Services provides counties with an opportunity to obtain new sources of revenue or to maximize existing revenue by utilizing specialized firms that have expertise in revenue maximization. The MSA also eliminates the time and trouble of having to develop, evaluate and award a bid for revenue maximization services. Counties that propose revenue maximization proposals that impact State and/or Federal funds, in addition to county funds, should involve CDSS program and fiscal representatives, as necessary. This will ensure that the proposals are consistent with CDSS program policies, help the CDSS determine if State Plan amendments are necessary and appropriate, and provide responses to county questions on allowable costs. Counties also need to be aware that they will retain responsibility for any audit findings that result from the implementation of any of the revenue maximization proposals.

We hope this information has been helpful to you. For further information on the MSA, please contact Marianne Arenas, Department of General Services, at (916) 324-2891. If you have any questions about this ACIN, you may contact the Fiscal Policy Bureau at (916) 657-3440.

***Original Document Signed By
George E. Peacher, Jr. on 8/18/98***

GEORGE E. PEACHER, JR., Chief
Fiscal Systems and Accounting Branch